



RESEARCH REPORT

Catalog number	00-008
Date:	September 14, 2000
Subject:	Department of Medical Eligibility Routine Site Consolidation
To:	David R. Smith, County Administrative Officer
From:	Sandi Wilson, Deputy County Administrator Chris Bradley, Budget Manager
Prepared By:	Matthew E. Diamond, Management and Budget Analyst

Issue

Whether or not the Department of Medical Eligibility (DoME) Routine Eligibility Sites are strategically located to limit Maricopa County's Pre-Arizona Health Care Cost Containment System (Pre-AHCCCS) Financial Liability.

Background

Initiated in 1982, the Arizona Health Care Cost Containment System (AHCCCS) is Arizona's alternative to a fee-for-service Medicaid Program. AHCCCS members must meet specific statutory requirements to be deemed eligible for AHCCCS Benefits. Arizona Counties' role relative to the AHCCCS Program is clearly defined in ARS Section 36-2905(E):

"The county shall make the final determination regarding eligibility within thirty days of the date of application or a longer period of time as provided under subsection K of this section or as may be prescribed by rule, and upon such determination by the county that the applicant is eligible for hospitalization and medical care from [AHCCCS]... If the County fails to complete the eligibility determination within the time period prescribed by the director, the county is liable to a provider or nonprovider for expenses incurred or paid or shall reimburse the applicant for claims paid by the applicant, or both, as appropriate."

In accordance with the above referenced statute, the County, through the Department of Medical Eligibility, operates so-called Routine and Priority Medical Eligibility Sites (Routine Sites and Priority Sites) for the determination of AHCCCS Eligibility to low-income residents of Maricopa County. The Routine and Priority Sites exist solely to provide venues for accurate and timely AHCCCS Determinations so as to limit the County's potential AHCCCS Financial Liability.

A. Routine Sites

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Routine eligibility sites are currently designed to provide a venue for walk-in and by-appointment AHCCCS Determinations. The County currently operates eight routine eligibility sites in various strategic locations throughout the County. Prior to January 2000, DoME operated ten Routine Sites. In and around February and June 2000, DoME Management elected to close the Guadalupe and South Phoenix Routine Sites, respectively. The County currently operates the following Routine Eligibility Sites:

Table I.

Routine Site Name	General Geographic Area Served
Chandler	Chandler/Guadalupe
3120 East Phoenix	East/South Phoenix
El Mirage FHC	El Mirage
Glendale	Glendale
Gooden	West/Central Phoenix
Mesa	Mesa
Scottsdale	South Scottsdale
Sunnyslope	Sunnyslope

B. Priority Sites

In addition to the Routine Sites, DoME operates so-called Priority Sites. The Priority Sites, located in for-profit hospitals, non-profit hospitals, and Maricopa Medical Center, handle Treat and Release (Emergency Room) and Inpatient Determinations. When a patient is admitted to the hospital or arrives at the hospital with an emergent condition, ideally the patient has been previously approved or denied AHCCCS Benefits at a Routine Eligibility Site. If an AHCCCS Determination has not been made, the County's eligibility interviewer has 48 hours to approve or deny AHCCCS Eligibility. If the determination is not made in the 48-hour legal timeframe, the County is financially liable to the health care provider for the charges incurred by the AHCCCS Patient. AHCCCS patients can become eligible for benefits through other means such as spenddown. Spenddown enables the client to use existing assets to spend into AHCCCS Eligibility.

Discussion

The Routine and Priority Eligibility Sites maintain records of historical routine AHCCCS Determinations in a database known as the Medical Assistance Application and Re-determination System (MAARS). The MAARS Database includes the Routine Site where the eligibility determination was made, the client's name, the date of eligibility application, the date of final eligibility determination, approved, denied or pending determination status, and the client's zip code.

Routine Site Data

The Office of Management and Budget (OMB) reviewed and analyzed the Routine Site Data for the thirteen-month period June 1, 1999 through and including June 30, 2000. The Routine Site Data, drawn from the MAARS Database with the technical support of DoME Employee Jorge Amarillas, represents 27,080 separate routine determinations. The

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following table depicts the distribution of routine cases by site and the highest geographic areas of demand (zip code as reported in MAARS) for routine site clients for the period June 1, 1999 through June 30, 2000.

Table II.

Routine Site Name	# Routine Eligibility Cases (June 1, 1999 - June 30, 2000) (as reported in MAARS)	% Total Routine Cases	Highest Volume Zip Code*	# Cases Originating in Highest Volume Zip Code
Gooden Routine	5,511	20.35%	85009	861
Glendale Routine	3,944	14.56%	85301	1,010
Mesa Routine	3,808	14.06%	85201	667
3120 Routine (East Phoenix)	3,539	13.07%	85008	811
Sunnyslope Routine	2,817	10.40%	85032	541
South Phoenix (Central Avenue)	2,687	9.92%	85040	1,198
Chandler Routine	1,699	6.27%	85224	315
Scottsdale Routine	1,681	6.21%	85281	335
El Mirage Family Health Center	807	2.98%	85335	192
Guadalupe Routine**	587	2.17%	85283	216
Totals	27,080	100.00%		

* See Map Attached as Appendix A for geographic areas

** Due to January 2000 Site Closure, data only reflects period June 1, 1999 - January 30, 2000

While the South Phoenix Site performed the sixth highest volume of routine determinations, more routine clients originated in the South Phoenix Area (zip code 85040) than in any other area in the County (See map attached as Appendix A). The 85040 zip code represents a large geographic area from University Avenue in the North to Baseline Road in the South and Central Avenue in the West to 48th Street in the East (See Map attached as Appendix A). Upon closing the South Phoenix Site, DoME Management intended existing and potential South Phoenix clients to use the 3120 East Phoenix Site – nearly 9 miles away. The following data suggests that as a consequence of the South Phoenix Site Closure, the County is not maintaining previous AHCCCS Determination service delivery levels in the South Phoenix Area.

Table III.

Routine Site Name	Monthly average # of cases originating in zip code 85040 (June 1, 1999 - June 30, 2000) BEFORE South Phoenix Closure	Number of cases originating in zip code 85040 (July 2000) AFTER South Phoenix Closure	% Inc/(Dec)	Total estimated yearly determinations lost from zip code 85040
South Phoenix	92	0	-100.00%	
3120 (East Phoenix)	10	53	430.00%	
Total	102	53	-48.04%	588

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Table III indicates a nearly 50% decline in actual AHCCCS Determinations from the South Phoenix Area after the closure of the site. This decline translates to a *potential* yearly loss of nearly 600 Routine AHCCCS Determinations. Such an extreme volume loss would not necessarily result in an immediate increase to the County's AHCCCS Financial Liability; however, if left unattended for an extended period of time, this historically high AHCCCS Determination Area would definitely increase the County's *potential*, and perhaps actual, yearly AHCCCS Financial Liability. According to other routine site data, the clients previously served by the South Phoenix Routine Site were not, and are not, being served by other routine sites such as Mesa or Gooden.

As Table II above indicates, Guadalupe Routine made 587 AHCCCS Determinations during the eight month period June 1, 1999 through June 30, 2000. The previously open Guadalupe Site primarily served the area between Baseline Road on the North, Elliot Road on the South, 48th Street on the West and Price Road on the East (zip code 85283. See map attached as Appendix A). DoME Management closed the Guadalupe Site and routed all cases to the Chandler Routine Site. However, similar to the closure of the South Phoenix Site, as a consequence of the closure there is a material decline in the number of eligibility cases originating in the Guadalupe Area. The following table illustrates the volume decline:

Table IV.

Routine Site Name	Monthly average # of cases originating in zip code 85283 (June 1, 1999 - January 30, 2000) BEFORE Guadalupe Closure	Monthly average # of cases originating in zip code 85283 (February 1 - June 30, 2000) AFTER Guadalupe Closure	% Inc/(Dec)	Total estimated yearly Routine Determinations lost from zip code 85283
Guadalupe	27	0	-100.00%	
Chandler	2	18	800.00%	
Total	29	18	-37.93%	132

A review of additional historical routine site data indicates that other routine sites are not currently determining the potential AHCCCS population located in Guadalupe. While the total estimated lost routine determinations resulting from the Guadalupe Closure may appear immaterial, similar to the South Phoenix Area, the County's *potential*, and perhaps actual, AHCCCS Financial Liability will increase as a result of the Guadalupe Site Closure.

As a proxy for potentially pent-up routine AHCCCS Demand, OMB randomly selected 30 cases from the 27,080 in the Routine Site AHCCCS Determinations. These 30 cases were cross-checked with the 54,550 Priority Site AHCCCS Determinations extracted from MAARS for the period June 1, 1999 through June 30, 2000. Of the randomly selected 30 cases, only 1 case appeared in both the Routine and Priority Site MAARS Data. Thus, the Routine Sites, and thus DoME, are most likely failing to serve a potentially significant percentage of the potential Maricopa County AHCCCS Population prior to the client's arrival in the hospital for an emergent or non-emergent condition. While currently unknown, this apparent lack of routine service will likely lead to a potentially significant increase in the County's Pre-AHCCCS Financial Liability. The potentially increased liability depends in

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part on the percentage of priority clients that were AHCCCS Eligible when they arrived at the hospital.

Staffing

There currently exist material imbalances in Routine Site Cases to budgeted eligibility interviewers. The following table illustrates the staffing imbalance and each sites case disposal efficiency:

Table V.

Routine Site Name	# Budgeted Routine Eligibility Interviewers (EI) (As of August 8, 2000)	# Routine Eligibility Cases (June 1, 1999 - June 30, 2000) (as reported in MAARS)	# Yearly Routine Cases Per Budgeted EI	% of total routine determinations made (by site) within two weeks of Routine Application
3120 Routine (East Phoenix)*	11	3,539	322	27.48%
Gooden Routine	8	5,511	689	54.63%
Mesa Routine	8	3,808	476	46.74%
Glendale Routine	7	3,944	563	45.98%
Sunnyslope Routine	7	2,817	402	58.40%
Chandler Routine	5	1,699	340	51.90%
Scottsdale Routine	5	1,681	336	67.47%
El Mirage FHC	2	807	404	74.31%
South Phoenix Routine	0	2,687	N/A	N/A
Guadalupe Routine	0	587	N/A	N/A

* Includes eligibility interviewers from now closed South Phoenix Routine Site

The table illustrates that DoME is not currently allocating routine eligibility interviewers in the most efficient manner. For example, while the 3120 East Phoenix Site operates with nearly 38% more eligibility interviewers relative to the Gooden Routine Site, on average 3120 East Phoenix Interviewers processed 53% fewer cases than Gooden. Moreover, the data indicates that the Gooden Site was relatively more efficient as it disposed of cases approximately twice as fast as the 3120 Site.

The Fiscal Year 2001 DoME Budget includes a Board of Supervisors approved \$200,000 budget issue for the purchase of a mobile outreach van. To complement the existing fixed routine eligibility sites, the van will roam throughout potentially high density AHCCCS Demand areas in the County to identify and enroll people in AHCCCS. As Tables VI and VII indicate, there are particular areas within the County that contain historically high concentrations of potential AHCCCS clients. The following table illustrates that six of the ten highest Routine AHCCCS Demand areas (zip codes) overlap with six of the ten highest Priority AHCCCS Demand areas (zip codes)

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Table VI.

Six of the ten highest volume PRIORITY Site Zip Codes	Six of the ten Highest Volume ROUTINE Site Zip Codes
85006	85006
85008	85008
85009	85009
85015	85015
85301	85301
85040	85040

The above areas collectively represent approximately 1 in 5 (20%) of total Priority and Routine Site Demand (See maps in Appendices A and B for visual volume concentration comparisons).

Table VII.

Volume Rank	Zip Code*	Total Priority Site Treat and Release and Inpatient Determinations (June 1, 1999 - June 30, 2000)	% of Total Priority AHCCCS Determinations (54,550) (June 1, 1999 - June 30, 2000)
1	85007	2,594	4.76%
2	85301	2,196	4.03%
3	85009	2,148	3.94%
4	85040	2,016	3.70%
5	85008	1,959	3.59%
6	85032	1,430	2.62%
7	85006	1,330	2.44%
8	85015	1,163	2.13%
9	85033	1,150	2.11%
10	85017	1,116	2.05%
Total		17,102	31.35%

* See attached Appendix B for geographic representation

With approximately 31% of total Priority Site Determinations originating in the above referenced zip codes (See Appendix B attached for visual representation), these areas represent ideal starting points for mobile outreach activity. OMB strongly urges DoME to purchase and begin operating the mobile outreach van as soon as is practicable given the clearly documented demand for AHCCCS services in the above areas.

Redeterminations

There are three primary AHCCCS Application types. First, there is an initial application whereby the potential AHCCCS client is attempting to enroll for the first time. Second, there are redeterminations. AHCCCS enrollees must become recertified or redetermined

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for AHCCCS benefits every six months. A redetermination occurs when a previously approved AHCCCS enrollee reestablishes AHCCCS eligibility at a routine site. Third, there are Treat and Release (Emergency) applications, which comprise the smallest percentage of the three categories. DoME maintains Master Logs detailing the location and type (initial or redetermination) of application. OMB reviewed and analyzed the Master Log Data for the period June 1, 1999 through June 30, 2000. While the Master Log Database was significantly incomplete, the data provides a proxy for initial and redetermination activity at the routine sites. The following table details the approximate dispersion of application type on per site and consolidated bases:

Table VIII.

LOCATION	IN	RD	TR
3120	31.54%	26.70%	41.76%
Chandler	53.77%	33.82%	12.41%
El Mirage	36.23%	63.62%	0.15%
Glendale	59.97%	35.73%	4.30%
Gooden	63.03%	31.04%	5.93%
Gooden	24.91%	38.23%	36.86%
Guadalupe	65.23%	34.77%	0.00%
Mesa	64.46%	21.65%	13.88%
Scottsdale	39.63%	37.10%	23.27%
Total	54.49%	32.93%	12.58%

IN: Initial Application

RD: Redetermination

TR: Treat and Release

The data indicates that historically, approximately 33% of all routine recorded applications are redeterminations. Due to the relatively uncomplicated nature of a redetermination application, the data in Table VIII may present County Management with several alternative service delivery models for redeterminations. First, the County could utilize the existing STAR Call Center for Redeterminations. Second, DoME could operate its own call center. In either case, phone-in redeterminations may alleviate the caseload per eligibility interviewer and allow for the reallocation of interviewer staff to higher volume and priority sites. County Management should evaluate the potential costs and benefits of the call center delivery model.

Conclusions

1. Based on historical areas of Routine and Priority Site Demand for AHCCCS Enrollment, the current Routine Sites are geographically well positioned to handle the demand for AHCCCS Enrollment Services based on the population the County has historically served.
2. The area in and around the previously opened and staffed South Phoenix Routine Site represents one of the highest concentrations of historical routine AHCCCS demand as measured by historical determinations (zip code 85040 – See Map attached as

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Appendix A). The geographic area previously served by the South Phoenix Site is now materially underserved with respect to Routine AHCCCS Determinations (Table III).

3. The 3120 (East Phoenix Site) is not currently capturing all of the routine eligibility volume from the now closed South Phoenix Site as designed by DoME Management (Table III).
4. The decision to close the South Phoenix Routine Site will increase the County's *potential* AHCCCS Financial Liability.
5. The geographic area previously served by the Guadalupe Routine Site is currently materially underserved.
6. The Chandler Routine Site is not currently capturing all of the routine eligibility volume from the now closed Guadalupe Routine Site as designed by DoME Management.
7. The decision to close the Guadalupe Routine Site will increase the County's *potential* AHCCCS Financial Liability.
8. Based on historical data, there currently exists a material staffing imbalance between routine sites on a caseload to budgeted eligibility interviewer basis (Table V).
9. DoME is failing to capture a material, albeit currently unknown, demand for AHCCCS Benefits. Based on historical Routine and Priority Site MAARS Data, approximately 97% of all AHCCCS Determinations made at Priority Sites were not previously determined in a Routine Site. Of the 97% not previously served at a Routine Site, OMB does not currently know the percentage of AHCCCS Clients that were AHCCCS eligible upon hospital arrival. Moreover, the 97% do not account for the percentage of AHCCCS applicants that were eligible to spend into eligibility through the spenddown mechanism.
10. There is significant overlap with respect to Routine and Priority Site AHCCCS Demand. This demand overlap underscores the notion that the routine sites are currently well positioned to maximize service delivery to Maricopa County's indigent population.
11. Approximately 33% of all routine determinations are classified as redeterminations (Table VIII)

Recommendations

The following recommendations are presented in no particular order of importance. The recommendations are presented as options to enable County Management to mix and match specific recommendations for operational purposes.

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Option A. Do not close and/or consolidate any of the Routine Eligibility Sites without a tested, alternative service delivery model in place.

Based on historical Routine and Priority Site Data and the dispersion of cases throughout the County, there is no reasonable basis to close and/or consolidate Routine Eligibility Sites. The current Routine Sites are strategically located to handle Routine AHCCCS Demand. There currently exists a marginal level of demand that overlaps between routine sites which in no way justifies closing specific routine sites. If County Management elects to close additional sites, in the absence of alternative service delivery methods such as an extremely heightened mobile outreach effort, the number of AHCCCS Determinations will decline and therefore the County's potential AHCCCS Financial Liability will increase. A clear example of this condition is the impact of closing the South Phoenix and Guadalupe Routine Sites. By closing these sites, the County opened itself to potentially losing 700 AHCCCS Determinations per year.

Option B. Reopen the 4615 South Central (South Phoenix) Routine Site

The South Phoenix Site previously served a large and historically high AHCCCS volume geographic area. As documented above, the area in and around the previous South Phoenix Site is currently underserved. All else being equal, assuming the site remains closed, the County will lose nearly 600 potentially AHCCCS eligible clients thus increasing the County's potential AHCCCS Financial Liability. According to a conversation with a Facilities Management Representative, the lease on the 4615 property was recently extended to June 30, 2001 at an annual cost of \$60,121. While DoME continues to pay monthly rental costs, the facility is currently unoccupied. The 4615 South Central Office is ideally located along a major North-South Artery with bus service. DoME should immediately prepare a summary of costs to reopen the South Phoenix Site – moving expenses, copiers, furniture etc...

Option C. Terminate the 4615 South Central Lease and focus the new mobile outreach unit to the following zip codes (85006, 85008, 85009, 85015, 85040, 85301. See the maps attached as appendices A and B for geographic areas)

The County Board of Supervisors approved a \$200,000 Fiscal Year 2001 DoME Budget Issue for the acquisition of a mobile outreach van. In lieu of reopening the South Phoenix Site, DoME could utilize the mobile outreach van(s) and corresponding eligibility personnel to focus beginning mobile outreach efforts primarily to the South and West Phoenix Areas as depicted in Appendix B. If County Management selects this option, the estimated lease cost savings is approximately \$60,000 per year.

Option D. Do not reopen the currently closed Guadalupe Routine Site

Based on historical data, the Guadalupe Site previously served a relatively low AHCCCS determination area. While the County stands to lose approximately 130 AHCCCS determinations per year (11 per month) from the Guadalupe Site Closure, this volume can be recaptured through the new mobile outreach unit whose funding was approved by the Board of Supervisors as noted in Recommendation C.

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Option E. Reallocate routine eligibility interviewer staff

As documented above, there is an imbalance in the caseload to eligibility interviewer ratios between Routine Sites. For example, the Gooden Site is processing a relatively higher percentage of all routine cases. For the thirteen-month period June 1, 1999 through June 30, 2000, Gooden eligibility interviewers processed, on average, twice the number of cases than Scottsdale Routine. Yet, Scottsdale Routine determined 70% fewer cases relative to the Gooden Routine Site. While outside the specific scope of this analysis, DoME Management, in conjunction with OMB, should allocate routine eligibility staff more equitably.

Tangential issue and recommendation requiring further investigation

As of August 8, 2000, the vacancy rate among routine eligibility interviewers was 22%. If County Management elects to reopen the South Phoenix Routine Site, it should use the site as a pilot for financial performance incentives for routine eligibility interviewers. For example, routine interviewers could receive an additional 50 cents per hour for making X number of correct AHCCCS determinations per hour. An incentive based system may reduce the County's AHCCCS Financial Liability because eligibility interviewers will be more inclined to increase the absolute volume of correct AHCCCS Determinations. Alternatively, the mobile outreach unit could be used as a pilot program with interviewers being awarded specific financial and other incentives for the number of accurate AHCCCS Determinations per week, for example.

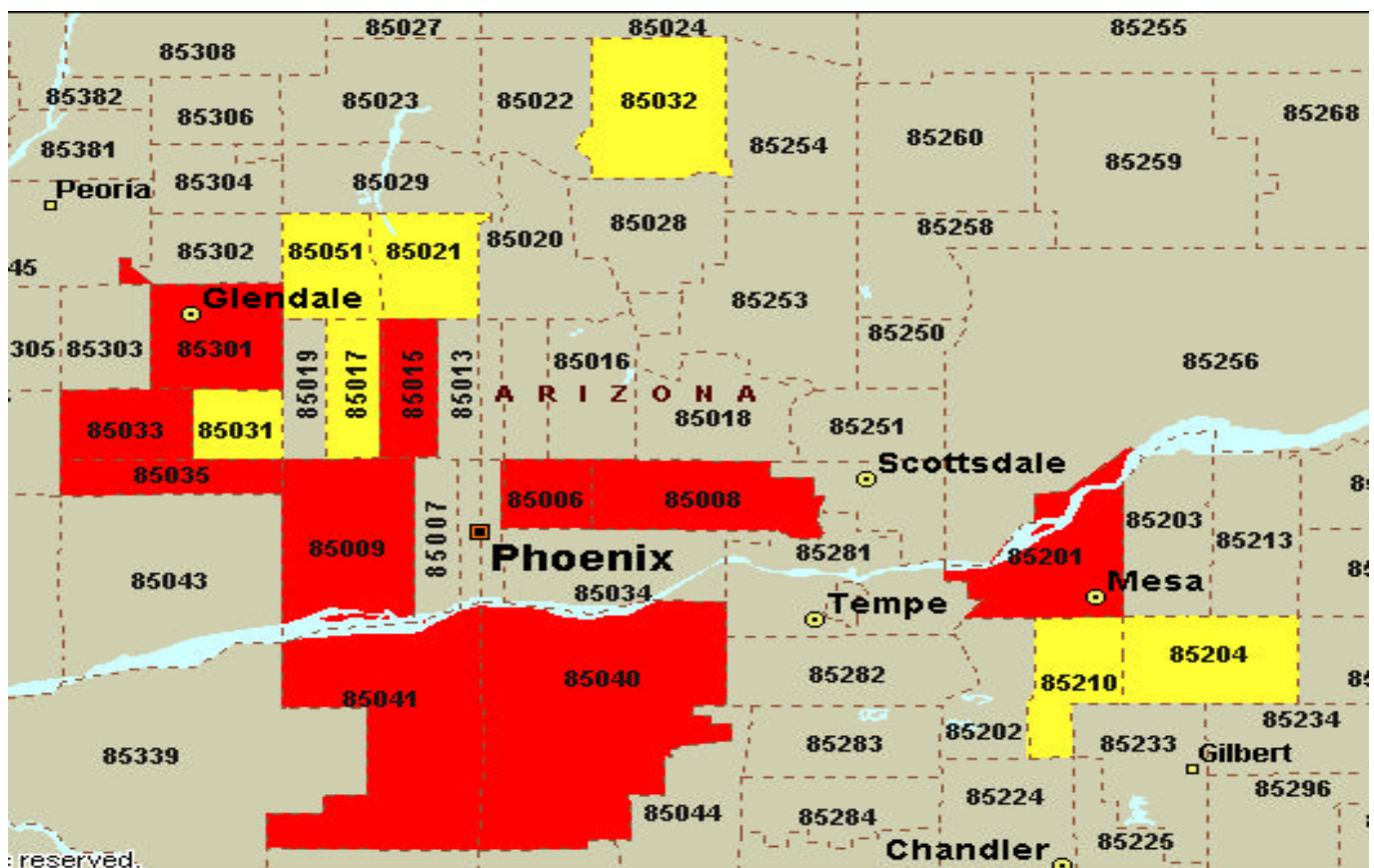
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APPENDIX A

AHCCCS Routine Determinations by Zip Code

(Point of Client Reported Origin)

(June 1, 1999 - June 30, 2000)



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APPENDIX B

Ten Highest Volume AHCCCS Priority Determination Areas by Zip Code

(Point of Client Reported Origin)

(June 1, 1999 - June 30, 2000)

